

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
EL PASO DIVISION**

UNITED STATES OF AMERICA

Plaintiff,

v.

HUGO CHICO

Defendant

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EP: 20-CV- 254

**COMPLAINT FOR TEMPORARY RESTRAINING ORDER,
PRELIMINARY INJUNCTION AND PERMANENT INJUNCTION**

For its Complaint against Hugo Chico, the United States of America alleges as follows:

INTRODUCTION

1. On March 13, 2020, President Trump of the United States declared the COVID-19 outbreak¹ in the United States constituted a national emergency beginning March 1, 2020, pursuant to his authority under the Constitution, the National Emergencies Act, 50 U.S.C. §1601 et seq., and the Social Security Act at 42 U.S.C. §1320b-5.

2. Chico is engaging in and facilitating a predatory wire fraud scheme exploiting the current COVID-19 pandemic.

3. Chico has conducted himself to mislead the public into believing he can provide valid COVID-19 prevention treatments and that he is qualified to administer said COVID-19 prevention treatments. Chico owns and/or operates an electronic social media page “Centro de Medicina Fisica y Rehabilitacion” (“Center for Physical Medicine and Rehabilitation”) on the

¹ There is currently a global outbreak of respiratory disease caused by a novel coronavirus that has been named “severe acute respiratory syndrome coronavirus 2” (SARS-CoV-2). The disease caused by the virus has been named “Coronavirus Disease 2019” (COVID-19).

Facebook Inc., platform (“webpage”). The Facebook profile states that the Centro de Medicina Fisica y Rehabilitacion is a medical center for physical medicine and rehabilitation located in Ciudad Juarez, Chihuahua, Mexico. The Facebook profile shows photos of Chico working at the clinic. A video posted on the Facebook profile shows an older gentleman receiving an intravenous treatment while a female is sitting next to him observing the procedure with the following text description ” Rejuvenecido al patrón. Asegurando al sistema inmunológico porque este mundo no lo está pidiendo. Un suerito con técnica directa de CUBA” (Rejuvenated the boss. Securing the immune system because this world is not asking for it. A serum technique direct from CUBA). The Facebook profile is advertising an immune system treatment claiming to assist in fighting COVID-19.

4. The claims made by Chico are false.

5. As determined by the World Health Organization, the United States Food and Drug Administration and the United States Center for Disease Control, there are, as of yet, no known or authorized prevention treatments for COVID-19.

6. The purpose of the webpage is to induce victims to pay Chico, and those working in concert with him, significant sums for such COVID-19 prevention treatment that he is not qualified to perform and which do not provide the results as advertised.

7. The United States seeks to prevent continuing and substantial injury to victims of this fraudulent scheme by bringing this civil action under 18 U.S.C. § 1345 to enjoin Chico’s ongoing wire fraud in violation of 18 U.S.C. § 1343.

JURISDICTION AND VENUE

8. The Court has subject matter jurisdiction over this action under 18 U.S.C. § 1345 and 28 U.S.C. §§ 1331 and 1345.

9. Venue is proper in this district under 28 U.S.C. § 1391(b)(1) because Chico resides in this district. Venue is also proper in this district under 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this district.

THE PARTIES

10. Plaintiff is the United States of America.

11. Defendant, Hugo Chico, acting alone or in concert with others, is the owner and/or operator of the Centro de Medicina Fisica y Rehabilitacion Facebook webpage, who has formulated, directed, controlled, had the authority to control, or participated in the acts and practices set forth in this Complaint.

FRAUDULENT SCHEME

12. On July 16, 2020, Homeland Security Investigations (HSI) El Paso office received an anonymous tip from Crime Stoppers of El Paso stating that Chico, along with another individual, were administering COVID-19 prevention treatments and charging \$300 USD. The tip stated that Chico and this other individual were traveling around the United States administering this COVID-19 prevention treatment by withdrawing blood from clients, adding medications to the blood, mixing both liquids with a machine and then injecting the client with the mixed solution. According to the tip, Chico and this other individual would cross into Juarez, Mexico to purchase the medications used for the preventative treatment solution and transport them into El Paso, TX. The tip further stated that Chico recently purchased a new truck and would be traveling to Austin, TX on the weekend of July 17-19 to administer the prevention treatment. Lastly, the tip stated Chico is not a medical professional and that the other individual

is a doctor in Mexico, but not licensed to practice in the United States. Additional information provided in the Crime stoppers tip listed a home address for Chico in El Paso, TX.

13. HSI Special Agents assigned to the Commercial Fraud Group in El Paso, Texas, initiated a COVID-19 Fraud investigation into Chico.

14. On July 16, 2020, HSI Special Agent Luis Chavez (SA Chavez) drove by the residence identified by the crime stoppers tip and observed two vehicles parked in the residence driveway. One of the vehicles was a black 2016 Acura SUV with Texas license plate XXX XXXX and the second vehicle was a white SUV with Mexico license plate XXX XXXX.

15. HSI database queries into the vehicles revealed that Chico had been in the black 2016 Acura SUV while making entry into the United States from Mexico at various times beginning in February of 2020.

16. Additional HSI database queries revealed Chico making entry into the United States from Mexico in a black Ram pickup truck bearing temporary license plate XXXXXXXX five times since June 26, 2020.

17. Furthermore, HSI databases revealed that on July 14, 2020, the black Ram Pickup affiliated with Chico was traveling eastbound on Interstate 10 at the Sierra Blanca Border Patrol checkpoint, which is the direction of travel if the car were headed to Austin, TX.

18. On July 20, 2020, SA Chavez placed a lookout in HSI databases for Chico. On July 22, 2020, United States Customs and Border Protection (CBP) officers encountered Chico at the Bridge of the Americas Port of Entry in El Paso, Texas attempting to make entry into the United States from Mexico in the black Ram pickup.

19. CBP officers contacted SA Chavez and informed him that Chico was in possession of two 250ml bottles of saline solution and five 50ml bottles of DIMETILSULFOXIDO 99.9% (99% Dimethyl sulfoxide), aka DMSO.

20. Among other uses, DMSO is used in medicine as a topical analgesic, a vehicle for topical application of pharmaceuticals, an anti-inflammatory and as an antioxidant. It is currently only approved by the FDA for symptomatic relief of interstitial cystitis but is commonly marketed as an alternative medicine to treat a variety of ailments, none of which has FDA approval.

21. Chico stated to CBP officers that he owns a physical rehabilitation health clinic in Juarez, Mexico and he forgot to remove the medicine from his truck.

22. On August 8, 2020, HSI Special Agents operating in El Paso found, via open source media, an electronic social media page “Centro de Medicina Fisica y Rehabilitacion” (Center for Physical Medicine and Rehabilitation) on the Facebook Inc., platform (“webpage”).

23. The Facebook profile stated that the Centro de Medicina Fisica y Rehabilitacion is a medical center for physical medicine and rehabilitation located in Ciudad Juarez, Chihuahua, Mexico.

24. The Facebook profile shows photos of Chico working at the clinic.

25. A video posted on the Facebook profile shows an older gentleman receiving an intravenous treatment while a female is sitting next to him observing the procedure with the following text description “Rejuvenecido al patrón. Asegurando al sistema inmunológico porque este mundo no lo está pidiendo. Un suerito con técnica directa de CUBA” (Rejuvenated the boss. Securing the immune system because this world is not asking for it. A serum technique direct from CUBA).

26. An additional photo shows the same older gentleman in different clothing receiving a treatment intravenously with the following caption: “Otro suero PAL patron. Con eso ya no problemas con el COVID 19 systema inmunologico al 100%” (Another serum FOR the boss. With that no problems with the COVID 19 immunological system at 100%). The Facebook profile is advertising an immune system treatment claiming to assist in fighting COVID-19.

27. On September 14, 2020, HSI Special Agents, using an undercover Facebook account, posted a message on the Centro de Medicina Fisica y Rehabilitacion Facebook page, asking if the clinic located in Mexico has a clinic located in El Paso, Texas offering the COVID-19 treatment. On the same day, a reply was received from the same Facebook account stating they only have the COVID-19 preventative treatment for at-home treatments.

28. On September 17, 2020, Special Agents then asked, “In El Paso?.” On the same day, a reply from the Facebook account stated the following: “That’s how it is. Any doubts you can call me at 915887XXXX.” All Facebook conversations were conducted in the Spanish language.

29. On September 18, 2020, HSI Special Agents found, via open source media, that the phone number listed on the Facebook chat was registered to Chico.

30. On Monday September 28, 2020, an HSI undercover Agent sent a text message to the phone number associated with Chico, introducing herself as the Facebook account holder inquiring about the COVID-19 preventative treatment and asking what it entails and the cost. All phone text messages were conducted in the Spanish language.

31. On Tuesday September 29, 2020, the owner of the phone number responded with the following: “Hi Elsa everything depends on what you are looking for or need from the treatments. It could be from COVID-19 prevention or to treat whatever muscular skeletal

problem. The message continued, stating; “The treatments are from 200 to 600. It depends on what you want or need.”

32. In an additional text, the owner of the phone number associated with Chico sent the following text: “If you gather a group of 3 minimum, I can go to your house to give them the preventative treatment.”

33. On September 30, 2020, the owner of the phone number sent a text to the undercover agent asking if she has VENMO, CASH APP or GOOGLE PAY. The undercover agent did not respond to the text.

34. On September 30, 2020, the owner of the phone number asked the HSI undercover agent the following question: “Where am I going to apply the treatment?”

35. The HSI undercover agent responded via Facebook Messenger with the following: “I live in Deming, NM and I only have an aunt in El Paso. My aunt does not want anyone outside the family in her house. Is it possible to receive the treatment in a hotel? I work at night and sleep during the day, at what time can I call you? How much is the treatment?”

36. The undercover agent arranged to meet Chico at a hotel on Joe Battle Blvd. in El Paso, Texas where Chico would apply the treatment.

37. On October 5, 2020, Special Agents conducting surveillance at the address identified in the Crime Stoppers tip as belonging to Chico. The Special Agents observed a Hispanic male matching the description of Chico walk out of the garage of the house with two plastic, gray in color, cases and a large black and yellow storage tote. Special Agents observed him place the items in the bed of the black Ram truck associated with Chico.

38. At 3:14 p.m., Special Agents observed the black Ram truck drive from the residence to a hotel located at Joe Battle Blvd, El Paso, TX. This was the same hotel which the

undercover agent had arranged for the meeting. At 3:20 p.m., additional Special Agents parked in the parking lot of the hotel observed the same black Ram truck arrive and park in front of the hotel parking lot.

39. Special Agents observed the driver, a Hispanic male matching the description of Chico, exit the truck and walk into the hotel. At 3:24 p.m. additional undercover agents met with the Hispanic male, later identified as Chico, in hotel room 409 to receive the supposed COVID-19 preventative treatment.

40. Conversations in the hotel room between Chico and the undercover agents were as follows: Chico explained to them that the COVID-19 treatment he administers will boost their immune system so strong that it will prevent them from getting COVID-19 through the winter.

41. Chico went on to explain the procedure to the undercover agents. Chico stated he would need to remove blood from the patient, mix it in a machine with a special solution and re-administer it to the body through the veins.

42. Chico stated most of his patients are elderly people. Undercover agents asked him if he has a clinic in El Paso where he administers the COVID-19 preventative treatment to which he replied no because the FDA won't approve it, but he does have a clinic in Juarez.

43. Chico went on to tell the undercover agents about other procedures he can perform in the hotel room. Chico stated since the undercover agent was going to pay \$200 USD for the COVID-19 preventative treatment, she could get any other treatment for \$100.00 USD.

44. Other treatments included a shot to the back of the neck to enhance her senses. Undercover agents agreed to the COVID-19 preventative treatment only. A female undercover agent gave Chico \$200 USD in cash to pay for the treatment. Chico received it and placed it in his shirt pocket.

45. Chico began to set up his equipment and medications. After about 20 minutes, Chico then stated he was ready to perform the COVID-19 preventative treatment to the undercover agent.

46. At about 4:10 p.m. HSI Special Agents and Texas Department of Public Safety (TX DPS) Special Agents entered the hotel room and placed Chico under arrest for administering medication without a license in violation of Texas state law.

47. Special Agents photographed the equipment that included two small green bottles of oxygen, a grey oxygen pump, medical gauzes, alcohol prep pads, syringes, blood collection sets, medical tape, medical hoses, and biohazard waste container.

48. At about 4:17 p.m. Special Agents left the hotel with Chico and drove to the HSI office located at 11541 Montana Ave. El Paso, TX 79936 for an interview and processing of Chico into the El Paso County Detention Facility.

49. The Special Agents processed Chico into the El Paso County Detention Facility. He was released on a Surety bond on October 6, 2020.

50. Law enforcement officers executed a search warrant at Chico's residence on October 5, 2020 where they encountered instrumentalities believed to be used in furtherance of Chico's criminal activities. The law enforcement officers executing the search warrant seized this evidence, as authorized by the warrant.

51. Chico, however, still has access to the rehabilitation clinic he claims to own in Juarez, Mexico and where he claimed to maintain some of the instrumentalities of his criminal activities. Because this clinic is located in a foreign country, United States law enforcement officers are unable to search this facility. Therefore, it is likely that Chico still has the ability to continue with his fraudulent conduct.

52. As of October 7, 2020, the World Health Organization, the United States Food and Drug Administration and the United States Centers for Disease Control have stated there are no approved cures or preventative treatments for COVID-19.

53. Chico, through his conduct and statements, held himself out to the public as a legitimate, qualified medical provider of COVID-19 prevention treatments.

54. Victims suffer financial loss and risk to their personal health from the wire fraud scheme engaged in and facilitated by Chico. The public health is at further risk, as victims of this scheme may have falsely believed they are immune to COVID-19 infections, and in reliance on these fraudulent treatments may fail to seek appropriate medical treatment or isolation from others.

55. Absent injunctive relief by this Court, Chico's conduct will continue to cause injury to victims.

COUNT ONE
18 U.S.C. § 1345
WIRE FRAUD

56. The United States re-alleges and incorporates each of the preceding paragraphs as though fully set forth herein.

57. By reason of the conduct described herein, Chico has violated, is violating, and is about to violate 18 U.S.C. § 1343 by engaging in and facilitating a scheme and artifice to defraud and obtain money or property by means of false or fraudulent representations with the intent to defraud, and, in so doing, use interstate or foreign wire communications. Such violation has further occurred in relation to a Presidentially declared major disaster or emergency as defined in the Robert T. Stafford Disaster Relief and Emergency Assistance Act at 42 U.S.C. §5122.

58. Upon a showing that Chico is committing or about to commit a violation of 18 U.S.C. § 1343, the United States is entitled, under 18 U.S.C. § 1345, to seek a temporary restraining order, a preliminary injunction, and a permanent injunction restraining all future fraudulent conduct. The Court may also grant such other relief it deems just and proper to prevent a continuing and substantial injury to victims of the fraud scheme.

59. As a result of the foregoing, the Court should enjoin Chico's conduct under 18 U.S.C. § 1345.

PRAYER FOR RELIEF

WHEREFORE, the United States requests judgment in its favor and against Chico, including the following relief:

A. That the Court issue an order, pursuant to 18 U.S.C. § 1345, pending a hearing and determination of the United States' application for a preliminary injunction, that Chico, his agents, officers, and employees, and all other persons or entities in active concert or participation with him, are temporarily restrained from committing wire fraud, as defined by 18 U.S.C. § 1343, from advertising COVID-19 prevention treatments through the use of electronic mail messages, or any electronic social media platform, including Centro de Medicina Fisica y Rehabilitacion (Center for Physical Medicine and Rehabilitation) Facebook page, from administering so called COVID-19 prevention treatments and from continuing to sell, market or distribute any product intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease, including COVID-19;

B. That the Court issue a preliminary injunction, pursuant to 18 U.S.C. § 1345, on the same basis and to the same effect. That the Court issue a permanent injunction, pursuant to 18 U.S.C. § 1345, on the same basis and to the same effect;

C. All such further relief as may be just and proper.

Dated: October 8, 2020

Respectfully submitted,

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